

# DEPARTMENT OF SOCIAL SERVICES

## FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Office of Director/Administrative Services	\$ 62,586,138	\$ 81,219,501	\$ 92,230,054	\$ 79,724,221
Division of Child Support Enforcement	101,498,769	100,535,214	115,284,655	107,720,137
Division of Family Services	887,216,391	944,629,144	1,030,807,000	909,742,372
Division of Youth Services	61,063,964	61,970,389	74,001,515	63,341,334
Division of Medical Services	3,808,323,348	4,470,420,908	4,913,505,722	4,400,008,920
DEPARTMENTAL TOTAL	\$ 4,920,688,610	\$ 5,658,775,156	\$ 6,225,828,946	\$ 5,560,536,984
General Revenue Fund	1,076,524,476	1,217,257,640 *	1,586,947,834	1,172,013,031
Division of Youth Services - Federal Funds	15,857,687	0	0	0
Federal Reimbursement Allowance Fund	444,417,509	400,644,078	400,622,620	460,622,620
Pharmacy Reimbursement Allowance Fund	0	0	0	55,392,482
Division of Aging - Federal Funds	76,709	0	0	0
Department of Social Services (DSS) - Federal Funds	28,530,665	0	0	0
Title XIX - Federal and Other Funds	2,107,322,036	2,487,189,960	2,816,096,379	2,590,855,704
Federal and Other Funds	1,309,142	575,000	575,000	575,000
Nursing Facility Federal Reimbursement Allowance Fund	183,051,578	165,487,342	165,487,342	172,487,342
Temporary Assistance for Needy Families - Federal Funds	174,086,491	171,972,076	170,722,099	170,722,099
DSS - Federal and Other Funds	481,481,318	567,294,036	598,263,319	558,711,523
Uncompensated Care Fund	270,542,539	94,000,000	94,000,000	94,000,000
Pharmacy Rebates Fund	55,277,791	50,440,449	50,440,449	50,440,449
Third Party Liability Collections Fund	8,010,422	27,232,323	27,192,010	27,191,812
Intergovernmental Transfer Fund	0	298,509,162	155,627,861	61,469,896
Division of Family Services Donations Fund	11,162	135,000	135,000	135,000
Division of Aging Donations Fund	0	1,000	1,000	1,000
Child Support Enforcement Collections Fund	15,487,998	17,666,175	17,942,105	17,275,922
Nursing Facility Quality of Care Fund	145,947	147,374	80,655	80,655
Health Initiatives Fund	14,209,382	18,998,357	19,469,120	19,996,332
Gaming Commission Fund	415,940	500,000	500,000	500,000
DSS Administrative Trust Fund	4,374,339	10,429,332	6,229,332	6,229,332
DSS Educational Improvement Fund	4,359,327	3,852,059	5,442,805	5,372,059
Blind Pension Fund	16,759,475	18,206,612	19,482,372	19,482,372
Tort Victims' Compensation Fund	0	750,000	0	0
Healthy Families Trust Fund-Health Care Treatment and Access Account	0	75,959,100	55,959,100	50,959,100
Healthy Families Trust Fund-Early Childhood Care and Education Account	0	6,506,790	6,506,790	0
Legal Services for Low-Income People Fund	0	0	1,010,830	1,010,830
Early Childhood Development, Education and Care Fund	10,042,693	14,854,291	16,845,424	14,845,424
Premium Fund	261,798	1,000,000	1,082,500	1,000,000
Alternative Care Trust Fund	8,132,186	9,167,000	9,167,000	9,167,000
Full-time equivalent employees	9,138.73	9,628.78	10,525.55	9,264.43

\* Does not include \$96,197,592 recommended in Fiscal Year 2002 Supplemental Appropriations, including \$1,667,592 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

## **DEPARTMENT OF SOCIAL SERVICES**

### **POLICY SUMMARY**

Governor Holden's Fiscal Year 2003 budget provides a total of \$5.6 billion for the Department of Social Services to provide support for Missouri's most vulnerable populations.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant budget challenge the state has faced since the early 1990s. The Fiscal Year 2003 budget includes the deepest core reductions ever recommended by a Missouri governor. These core reductions are necessary to ensure a balanced budget while continuing to provide essential state services. There are relatively few general revenue fund increases recommended in the Fiscal Year 2003 budget, and those that are recommended focus on mandatory programs. Governor Holden's number one priority is to fully fund the foundation formula distributions to public schools.

Governor Holden's social services budget for Fiscal Year 2003 mirrors a problem all states are currently grappling with, the high cost of health care. According to the Centers for Medicare and Medicaid Services (CMS), health care spending in the United States rose to \$1.3 trillion in 2000, a 6.9 percent increase over the previous year. This increase was the highest annual increase recorded since 1993, when spending rose by 7.3 percent, and is the fastest acceleration of spending in 12 years. In Fiscal Year 2000, nationwide Medicaid spending totaled approximately \$207 billion in state, local, and federal funds. In Missouri, Fiscal Year 2001 Medicaid spending totaled \$3.8 billion. Medicaid expenditures continue to grow due to a number of factors, including increased prescription drug costs, medical inflation, expansion of community-based long-term care programs, and increased enrollment. In Missouri, an ever-increasing portion of the statewide and Department of Social Services' budgets are focused on providing health care services. As health care costs continue to consume a more substantial portion of the state's social services budget, traditional public assistance programs occupy a smaller portion of the department's budget by comparison. This year's budget reflects trends occurring nationally, as health care, hospital, and pharmaceutical costs spiral out of control and states struggle for solutions to slow Medicaid costs.

### **COST CONTROLS**

Because of the crisis Missouri is currently experiencing associated with stagnant revenues and rising health care costs, the Governor's budget includes numerous cost containment measures to curtail escalating Medicaid expenditures. These efforts, coupled with maximization of funds other than general revenue, allow for a five-percent net decline in general revenue in the Medicaid budget. Even with the implementation of these cost containment efforts in the state's Medicaid Program, Governor Holden continues to be strongly committed to ensuring that children continue to receive access to vital health care coverage through the Medicaid Program. No child will lose health insurance coverage as a result of these cost control efforts. The cost control efforts include:

Increasing the level of disability required for eligibility for in-home and nursing home services. By increasing the disability level, Missouri will focus in-home and nursing home services toward those Missourians who most need the care, thus enabling the state to continue long-term funding of Medicaid services. Estimated savings: \$27.1 million.

Pharmacy cost containment proposals, including prior authorization of all new drugs. According to CMS, rapidly increasing drug spending accounted for more than a quarter of the total growth in personal health care spending between 1999 and 2000. In addition to the aging of the population, the introduction of new therapies for chronic conditions has gradually added to the average number of prescriptions purchased. Retail prescriptions per capita have increased to 10.5 per person in 2000, from 8.3 in 1995. Prior authorization of all new drugs purchased through the Medicaid Program will ensure that new drugs have actual health benefits for Medicaid recipients in the state. In addition, Medicaid will cease reimbursement for over-the-counter drugs, allowing Medicaid to more closely mirror the health care benefits enjoyed by most Missourians. Estimated savings for all pharmacy cost containment proposals: \$50.4 million.

Eliminating or modifying optional Medicaid services for adults. Although Missouri has opted to cover dental and optical services for adults in the Medicaid system in the past, in order to ensure the solvency of the Medicaid system, it has become necessary to end coverage provided for these optional Medicaid services. Estimated savings: \$16 million.

Instituting policy changes in the Medicaid Spend-down Program. Spend-down allows eligible Missouri residents to spend-down their income in order to qualify for Medicaid benefits. Currently, the program allows participants to incur, not pay, expenses in order to qualify for the Spend-down Program. By instituting a policy change that requires recipients to actually pay these costs, the state will continue to be able to provide this needed service to eligible recipients. Estimated savings: \$20.6 million

## DEPARTMENT OF SOCIAL SERVICES

### POLICY SUMMARY (Continued)

In order to address caseload growth and inflationary increases for health care services, the Governor's Fiscal Year 2003 budget includes:

- \$132.6 million for the additional anticipated costs of existing Medicaid programs to ensure that all program cores are sufficiently funded to meet projected expenditures.
- \$117.8 million for increased costs and utilization of pharmacy prescriptions by the elderly and those with disabilities, and other anticipated increases.
- \$94.6 million for anticipated caseload increases in Medicaid programs.
- \$63 million for one-time start-up grants to increase efficiency and quality of care in nursing homes.
- \$60.4 million to increase dispensing fees paid to pharmacists.
- \$43.9 million for the remaining months of the Fiscal Year 2002 managed care trend factor.
- \$40.6 million to replace one-time intergovernmental transfer funding in various Medicaid programs.
- \$35.1 million to provide a trend factor for managed care of 12.3 percent in the eastern and central regions and a 5.5 percent blended rate in the western region.
- \$5.2 million to compensate for anticipated increases in Medicare Part A & B premiums.
- \$1 million to fund targeted case management services for the elderly.

Some performance measures the Department of Social Services uses to evaluate the health care services provided to Medicaid recipients follow:

	FY 1998	FY 1999	FY 2000
Percentage of low-income children with health care coverage	81.54%	84.51%	87.84%
Percentage of low-income adults with health care coverage	78.40%	81.16%	82.84%
Percentage of pregnant women in Medicaid who receive adequate prenatal care	78.25%	79.0%	82.30%
Percentage of Medicaid-eligible children under 21 who receive appropriate preventative health care screenings	47.0%	49.0%	52.0%

**DEPARTMENT OF SOCIAL SERVICES  
DEPARTMENTAL ADMINISTRATION**

**ADMINISTRATIVE SERVICES**

Departmental Administration includes the director, the director's staff, and the personnel and labor relations section. The director sets policy for the department and ensures implementation of its mandates. The personnel and labor relations section administers a personnel program and human resource management system to serve the department's employees.

The Division of Budget and Finance prepares the department's budget requests, financial reports, and all fiscal notes. Other responsibilities include maintenance of support mechanisms to ensure timely payments to clients, vendors and staff, and timely receipt and disposition of the department's revenues.

The Division of General Services provides a variety of services that support the operations of the department, including working with the Office of Administration to negotiate leases of rental property and all communications systems, providing necessary minor office renovations, operating a copy center, coordinating the inventory and distribution of office equipment and furniture, and processing requests for lease or purchase of equipment and services.

The Division of Legal Services is responsible for providing legal services for all of the divisions within the department, providing due process hearings for recipient appeals, investigating fraud and abuse of public assistance programs, conducting background investigations on department employees prior to employment, designing and obtaining management reports on fraud collections, and ensuring compliance with United States Department of Agriculture and United States Department of Health and Human Services' requirements relating to discrimination complaints.

The Division of Data Processing is responsible for the development, maintenance, and operation of the department's data processing system. The division processes data on recipients and vendors, prints checks and vendor payments, and provides management reports to other divisions in the department.

**Fiscal Year 2003 Governor's Recommendations**

- \$260,830 other funds cost-to-continue the Fiscal Year 2002 supplemental appropriations for legal service grants to communities.
- \$4,077,815 federal and other funds transferred from Missouri Automated Child Support System (MACSS) to the Information Services and Technology Division (ISTD) for ongoing maintenance of the MACSS system.
- \$1,736,049 transferred from the Nursing Facility core to various supports divisions, with an offsetting transfer back of (\$1,736,049) other funds.
- \$1,270,871 federal and other funds and 17 staff transferred to the Division of Legal Services from the Division of Family Services (DFS) Administration for permanency planning activities.
- \$86,350 and two staff transferred from the Division of Medical Services to the Division of Budget and Finance, including \$43,175 general revenue.
- (\$4,200,000) other funds core reduction in the Division of General Services to bring appropriation authority in line with spending.
- (\$2,218,548) and (46.55) staff in administrative expenses core reduction.
- (\$2,215,000) transferred from ISTD to cash assistance payments, with an offsetting transfer back of \$2,215,000 federal funds.
- (\$772,598) federal and other funds and (14) staff transferred from various supports divisions to the Department of Health and Senior Services.

**DEPARTMENT OF SOCIAL SERVICES  
OFFICE OF THE DIRECTOR**

**DIVISION OF CHILD SUPPORT ENFORCEMENT**

Administration - Missouri's Division of Child Support Enforcement (DCSE) locates missing parents; helps establish paternity, medical support, and financial child support obligations; and collects and disburses support payments both for Temporary Assistance for Needy Families (TANF) and for participating non-TANF families. The state retains approximately 33 percent of all child support collected on TANF cases. The division also supports development of MACSS as required by the Family Support Act of 1988.

Parents Fair Share - This program provides work search assistance, education, and training services to non-custodial parents to increase their earning potential and ensure the payment of their child support obligations. This program was transferred from DFS to allow utilization of DCSE's expertise in assisting families who are no longer intact.

Privatization - This program supports contracts with private agencies to collect child support payments. The contractor is paid on a contingency basis.

Local Agreements - This funding supports contractual agreements with local governments to assist the division with paternity cases. Agreements also exist to assist the division with all types of child support referrals through the establishment of multi-county full service centers.

Reimbursement to Counties - This program provides reimbursement to counties that have signed a cooperative agreement with DCSE. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent.

Federal Reimbursement/Local Incentives - This appropriation provides a mechanism for disbursing the federal and local share of TANF child support collections received by DCSE.

State Tax Refund Distribution - This appropriation provides a mechanism for reimbursing absent parents for child support payments over-collected from garnisheed state tax returns.

**Fiscal Year 2003 Governor's Recommendations**

- \$12,700,000 federal funds to pass through child support to families, pay federal child support incentives due to counties, and return erroneously intercepted federal tax refunds.
- (\$4,077,815) federal and other funds transferred from MACSS to ISTD for ongoing maintenance of the MACSS system.
- (\$1,320,231) and (14.57) staff in administrative expenses core reduction, including (\$929,978) general revenue.
- (\$117,031) federal funds for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF FAMILY SERVICES**

**ADMINISTRATIVE AND STAFF SERVICES**

Administrative Services provides management, coordination, and general direction to all DFS programs. The division director and staff monitor the efficiency and effectiveness of Income Maintenance and Children's Services programs, develop the division's five-year plan, train supervisory and line staff, monitor contracts, review federal regulations, develop state regulations, and coordinate all fiscal reporting tasks for the division.

Staff Services conducts day-to-day operations of all Income Maintenance and Children's Services programs administered by DFS. Funds in these sections support income maintenance and social service workers, administrative and supervisory staff, and clerical support positions in DFS county offices.

**Fiscal Year 2003 Governor's Recommendations**

- \$5,806,650 to procure a new contract for the Electronic Benefits Transfer Program, including \$3,671,731 general revenue.
- \$1,000,000 for systems modifications related to a change in the administration of the Medicaid Spend-down Program, including \$500,000 general revenue.
- \$166,545 transferred from the Nursing Facility core to various DFS administrative appropriations, with an offsetting transfer back of (\$166,545) other funds.
- \$52,572 other funds and one staff transferred to DFS Administration from the Childcare Program.
- (\$5,779,080) federal funds and (171.38) staff in core reduction in the Field and Line Staff sections due to federal budget cuts in the Social Services Block Grant.
- (\$5,435,775) federal and other funds for one-time expenditures.
- (\$4,354,655) and (110.65) staff and associated administrative expenses core reduction.
- (\$2,025,000) transferred to TANF cash assistance from DFS administration and field staff, with an offsetting transfer back of \$2,025,000 federal funds.
- (\$1,270,871) federal and other funds and (17) staff transferred to the Division of Legal Services for permanency planning activities.

**INCOME MAINTENANCE**

Direct Client Support and Community Initiatives (formerly FUTURES Services) - Missouri operates the federal Job Opportunity and Basic Skills (JOBS) Program through its Direct Client Support Program. TANF recipients participate in the Direct Client Support Program to achieve self sufficiency through employment. This program provides supportive services that enable TANF recipients to obtain and retain employment. DFS also partners with local communities in innovative initiatives to prevent welfare dependence and help individuals transition off of welfare.

Food Stamp Employment and Training Program - Under federal law, Missouri is required to operate an employment and training program for food stamp recipients. This program is the Missouri Employment and Training Program which provides food stamp recipients with an opportunity to become employed and self sufficient through participation in program components.

Purchase of Childcare - A key to successful welfare reform is access to affordable childcare. Without childcare assistance, many parents could not participate in job training, education, or maintain employment which would allow them to become self sufficient and end their dependence on government assistance. In the 1998 legislative session, the General Assembly passed HB 1519. This bill created the early childhood education fund to support programs that prepare pre-kindergarten children to enter school ready to learn. The Educare Program is another important piece of the Childcare Program. It works within communities to increase a child's educational opportunities through enhanced services offered to providers and families to ensure that children will be ready to learn when they enter school.

Temporary Assistance for Needy Families (formerly Aid to Families With Dependent Children) – TANF is a program designed to provide assistance to families so parents are not dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform in 1996, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment, thereby enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation - The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF FAMILY SERVICES**

**INCOME MAINTENANCE (Continued)**

Grandparents as Foster Parents - Caring for a grandchild often places additional financial, social, and psychological strain on grandparents with fixed incomes. Grandparents as Foster Parents was established to provide payments to grandparents who have either legal guardianship or legal custody of their minor grandchildren.

Nursing Care - This state-funded program makes monthly cash payments to residents of nursing and residential care homes who are eligible for Medicaid, but occupy a facility not certified for Medicaid, or who receive care in a Residential Care I or II facility. The type of facility appropriate for clients is to a great extent dictated by their level of need for care. Minimal medical care is provided in Residential Care I, more in Residential Care II, and significantly more in Intermediate Care. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind - Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind who do not qualify for Supplemental Aid to the Blind and who do not own property -- excluding homes -- worth more than \$20,000. Currently, both programs provide a maximum monthly grant of \$398 unless the claimant qualifies for a higher payment by residing in a licensed nursing home. The third program, Adult Supplemental Payments, aids those who received state assistance before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guidelines also may be certified for assistance. All of these programs are funded from an earmarked state property tax that provides revenue to the blind pension fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance - CSBG funds are used to strike at six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Surplus Food Distribution - The federally-funded Surplus Food Distribution Program enables DFS to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance - The Low-Income Home Energy Assistance Program (LIHEAP) is a federally-funded block grant which provides heating assistance payments, crisis assistance, and weatherization services to low-income households.

**Fiscal Year 2003 Governor's Recommendations**

- \$875,760 other funds to increase Blind Pension payments.
- \$400,000 other funds cost-to-continue the Fiscal Year 2002 supplemental in the Blind Pension Program.
- \$7,843,443 and 8.67 staff reallocated to Community Partnerships from Caring Communities, including \$1,165,538 general revenue.
- \$5,000,000 core reallocated from various appropriations to TANF cash assistance, with an offsetting reallocation of (\$5,000,000) federal funds.
- \$1,938,025 and 1.71 staff transferred into Community Partnerships from the Department of Mental Health, including \$83,442 general revenue.
- \$1,218,333 federal funds transferred into Community Partnerships from the Department of Health and Senior Services.
- \$1,158,333 federal funds transferred into Community Partnerships from the Department of Elementary and Secondary Education.
- \$2,215 core reallocated to various Income Maintenance programs from the Nursing Facility core, with an offsetting reallocation of (\$2,215) other funds.
- (\$6,506,790) other funds core reduction in Early Childhood programs.
- (\$6,290,000) core reduction in the General Relief Program, including (\$5,550,000) general revenue.
- (\$4,145,979) other funds core reduction in the Community Initiatives appropriation due to funding with one-time intergovernmental transfer funds.
- (\$3,859,154) federal funds reduction in excess authority in the Community Partnership Program.
- (\$2,597,825) federal funds transferred from the Community Partnership Program to the Children's Program Pool.
- (\$2,402,175) core reduction in TANF cash assistance payments.
- (\$1,500,000) federal funds core reduction in the Food Stamp Wage Supplement Program.
- (\$760,000) reallocated from Direct Client Support to TANF cash assistance, with an offsetting reallocation of \$760,000 federal funds.
- (\$248,980) core reduction in Community Partnership programs.
- (\$65,000) core reduction in the Adult Supplementation Program due to caseload decline.
- (\$52,572) other funds and (one) staff transferred from the Childcare Program to DFS Administration.
- (\$8,867) other funds for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF FAMILY SERVICES**

**INCOME MAINTENANCE (Continued)**

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Average Number of Children Receiving Childcare Per Month	45,939	46,000	46,000
Number of Families Receiving TANF (Annually)	48,775	48,775	48,775
Average Monthly Payment Per Household	\$244	\$243	\$243
Average Length of Time on TANF (Months)	35	35	35
Direct Client Support	\$ 13,377,152	\$ 14,128,085	\$ 14,128,085
Boothel Project 6 County	0	1,800,000	0
Community Initiatives	18,789,998	8,779,778	0
Grace Hill	0	200,000	0
Lindbergh Family Center	0	300,000	0
Community Partnerships	0	0	9,983,799
Food Stamp Training	3,437,464	7,182,000	7,182,000
Purchase of Childcare	150,798,250	184,997,403	178,429,174
Temporary Assistance for Needy Families (TANF)	141,744,412	145,000,000	147,402,175
Grandparent Foster Care	8,041,668	12,684,205	10,282,030
Food Stamp Wage Supplement	70,430	1,500,000	0
Adult Supplementation	288,394	315,000	250,000
Supplemental Nursing Care	24,853,669	25,538,684	25,538,684
General Relief	6,885,720	6,290,000	0
Supplemental Security Income	3,256,933	4,000,000	4,000,000
Blind Pension/Supplemental Aid to the Blind	16,009,606	17,167,588	18,443,348
Refugee Assistance	3,298,263	3,812,553	3,812,553
Community Services Block Grant	13,324,190	15,603,980	15,603,980
Homeless Challenge Grant	400,185	500,000	500,000
Emergency Shelter Grants	1,108,624	1,340,000	1,340,000
Food Distribution Programs	690,162	1,000,000	1,000,000
Energy Assistance	55,788,788	32,794,695	31,794,695
Utilicare Transfer	0	0	1,000,000
TOTAL	\$ 462,163,908	\$ 484,933,971	\$ 470,690,523
General Revenue Fund	127,109,656	133,840,036	131,065,076
Department of Social Services - Federal Funds	309,001,953	308,417,072	306,389,247
Other Funds	26,052,299	42,676,863	33,236,200



**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF FAMILY SERVICES**

**SERVICES FOR THE BLIND**

Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the blind find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

**Fiscal Year 2003 Governor's Recommendations**

- \$50,000 federal funds for the Employment Training Program for Rehabilitation Services for the Blind staff to enable them to locate new employment opportunities for blind consumers.
- \$22,675 core reallocated to programs for the blind from the Nursing Facility core, with an offsetting reallocation of (\$22,675) other funds.
- (\$271,820) and (8.02) staff in administrative expenses core reduction.

**CHILDREN'S PROGRAMS**

Children's Treatment Services, Child Abuse and Neglect Grant, and Intensive In-Home Services - This program provides intensive family-centered services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, childcare, crisis nursery services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. The Family Reunification Program provides home-based services aimed at reuniting children with their families. The Family Preservation Program provides intensive, in-home services to help prevent placement of children in foster care and keep children with their families.

Foster Care, Children's Account, and Adoption Subsidy - This program provides monthly room and board payments for children in the custody and care of DFS. Current room and board rates for age groups are as follows: 0-5 years, \$227; 6-12 years, \$277; and 13 and over, \$307. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including SSI and child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child. The Adoption Subsidy Program provides financial assistance to parents who adopt special needs children.

Children's Programs Pool - In the Fiscal Year 1992 budget, a separate pool appropriation was developed for services for children and families. Each line item for the following children's programs was reduced by ten percent to create a Children's Programs Pool: Children's Treatment Services, Family Preservation, Foster Care, Adoption Subsidy, and Independent Living. This pooled appropriation allows flexible spending within these children's service areas.

Residential Treatment, Independent Living, and IV-E Court Contracts - Residential facilities are used when foster care cannot meet the children's treatment needs. The division contracts with a wide range of treatment programs ranging from small group homes to large self-contained resident campuses. Facilities must be licensed and meet the division's standards for alternative care. Transitional/Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. IV-E Court Contracts allow DFS to pass through federal funds to be used for reimbursement to counties for children placed in the custody of the juvenile court and who are placed in juvenile court residential facilities.

Psychiatric Diversion - This program's primary purpose is to keep children out of expensive inpatient psychiatric hospitals, while providing them with the necessary services to help them deal with their severe behavioral and emotional problems.

Domestic Violence - This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

**Fiscal Year 2003 Governor's Recommendations**

- \$240,119 federal funds for the Domestic Violence Program.
- \$2,456 core reallocated to various children's programs from the Nursing Facility core, with an offsetting reallocation of (\$2,456) other funds.
- (\$7,843,443) and (8.67) staff core reallocated from the Caring Communities Program to Community Partnerships, including (\$1,165,538) general revenue.
- (\$2,597,825) core reduction in the Children's Programs Pool, with a corresponding \$2,597,825 increase in federal funds.
- (\$1,428,571) core reduction in add-on payments to foster parents, including (\$1,000,000) general revenue.
- (\$1,408,450) core reduction in add-on payments to adoptive parents, including (\$1,000,000) general revenue.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF FAMILY SERVICES**

**CHILDREN'S PROGRAMS (Continued)**

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Individuals Served Through Children's Treatment Services (Average Per Month)	1,166	1,200	1,200
Families Served Through Family Reunification	264	300	300
Families Receiving Intensive In-Home Services	1,582	1,600	1,600
Children Moving from Foster Care to Permanent Placements	6,864	6,900	6,900
Number of Adoptions Finalized	1,196	1,250	1,250
Average Length of Time in Care Prior to Adoption (Months)	34.7	34.0	34.0
Children in Residential Treatment Centers (Average Per Month)	2,098	2,094	2,094
Children in Transitional/Independent Living (Annually)	2,334	3,000	3,000
Number of Children Receiving Psychiatric Diversion Services	2,152	1,900	1,900
Children's Treatment Services	\$ 13,509,927	\$ 13,816,047	\$ 13,816,047
Foster Care	39,827,769	39,851,174	38,422,603
Adoption Subsidy	42,204,432	47,789,786	46,381,336
Independent Living	4,261,184	5,173,228	5,173,228
Children's Programs Pool	11,305,585	19,152,179	19,152,179
Child Assessment Centers	2,023,730	2,250,000	2,250,000
Residential Treatment Services	67,260,432	69,727,146	69,727,146
Psychiatric Diversion	16,356,830	16,252,651	16,252,651
Caring Communities	8,107,133	7,843,443	0
IV-E Court Contracts	297,375	700,000	700,000
Domestic Violence	3,814,830	5,147,534	5,387,653
Child Abuse and Neglect Grant	503,477	1,000,000	1,000,000
Children's Account	8,132,186	9,000,000	9,000,000
TOTAL	\$ 217,604,890	\$ 237,703,188	\$ 227,262,843
General Revenue Fund	123,133,732	127,796,472	122,035,565
Temporary Assistance for Needy Families - Federal Funds	2,817,812	3,989,803	2,939,803
Department of Social Services - Federal and Other Funds	83,521,160	96,914,457	93,287,475
Intergovernmental Transfer Fund	0	2,456	0
Alternative Care Trust Fund	8,132,186	9,000,000	9,000,000

## **DEPARTMENT OF SOCIAL SERVICES**

### **DIVISION OF YOUTH SERVICES**

The Division of Youth Services (DYS) is divided into three functional areas: management and development, residential services, and alternative services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices supplement the efforts of central office staff and assure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services, a component of this program area, provides academic and vocational education to youth in residential placement. The division has six secure facilities: Northwest Regional Youth Center in Jackson County; Hogan Street Youth Center in St. Louis City; Fulton Treatment Center in Callaway County; Mount Vernon Treatment Center in Lawrence County; Hillsboro Treatment Center in Jefferson County; and St. Joseph Treatment Center in Buchanan County. The division also operates 17 moderately secure facilities and 6 community-based facilities.

Alternative Services helps youthful offenders adjust to acceptable norms of behavior. The division provides several types of alternative services: case management and classification; community care which includes day treatment, intensive supervision, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Primary care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their facility. Day Treatment programs provide intensive treatment services for youth who continue to live at home. Intensive supervision provides tracking and mentoring to youth in the community. Aftercare is the provision of counseling and other services to help juveniles return to their families and communities when released from one of the division's facilities. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

#### **Fiscal Year 2003 Governor's Recommendations**

- \$1,520,000 other funds in one-time funding to replace 38 vans used to transport youth in DYS custody.
- \$47,000 to implement an employee tuberculosis screening system.
- \$110,902 core reallocated to various DYS programs from the Nursing Facility core, with an offsetting reallocation of (\$110,902) other funds.
- (\$196,055) and (3.89) staff in administrative expenses core reduction.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**FINANCIAL SUMMARY**

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Administrative Services	\$ 48,317,343	\$ 69,477,638	\$ 53,215,593
Medicaid Vendor Payments and Managed Care	3,732,906,005	4,371,261,275	4,324,418,920
State Medical	27,100,000	29,681,995	22,374,407
<b>DIVISIONAL TOTAL</b>	<b>\$ 3,808,323,348</b>	<b>\$ 4,470,420,908</b>	<b>\$ 4,400,008,920</b>
General Revenue Fund	689,698,411	814,515,273	783,719,510
Federal Funds	2,771,318,814	3,101,979,853	3,313,218,098
Uncompensated Care Fund	270,542,539	94,000,000	94,000,000
Pharmacy Rebates Fund	55,277,791	50,440,449	50,440,449
Third Party Liability Collections Fund	7,797,401	26,041,881	26,041,881
Intergovernmental Transfer Fund	0	288,322,341	61,469,896
Nursing Facility Quality of Care Fund	79,567	80,655	80,655
Health Initiatives Fund	13,347,027	18,081,356	19,079,331
Healthy Families Trust Fund-Health Care Treatment and Access Account	0	75,959,100	50,959,100
Premium Fund	261,798	1,000,000	1,000,000

**ADMINISTRATIVE SERVICES**

Medical Services staff oversees the operation of the Medicaid and State Medical programs. Responsibilities include provider reimbursement; provider enrollment and relations; monitoring changes in the health care professions and their payment structures; maintaining liaison with federal agencies involved in medical services; developing policies and procedures for the operation of the program; and developing new, innovative methods of controlling health care costs through managed care plans, alternative care programs, and third party liability collections.

**Fiscal Year 2003 Governor's Recommendations**

- \$338,139 and five staff for State Children's Health Insurance Program (SCHIP) premium collections as required in SB 236 (2001), including \$169,070 general revenue.
- \$10,131 for attorney's fees and costs awarded to the Missouri Pharmaceutical Association.
- \$874,166 core reallocated to Medicaid Administration from the Nursing Facility core with an offsetting reallocation of (\$874,166) other funds.
- (\$15,721,706) for one-time expenditures, including (\$107,290) general revenue.
- (\$720,828) core reduction in MC+ premium collections, including (\$360,414) general revenue.
- (\$86,350) and (two) staff core reallocated to the Division of Budget and Finance, including (\$43,175) general revenue.
- (\$81,431) federal funds and (two) staff transferred from Medicaid Administration to the Department of Health and Senior Services.

**MEDICAID VENDOR PAYMENTS AND MANAGED CARE**

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid Program. These include hospital, physician, laboratory, skilled nursing home care, home health care, and family planning services. Other allowable optional services in Missouri's Medicaid Program are prescription drugs, clinic services, ambulance, adult daycare, personal care services, homemaker and chore services, durable medical equipment, psychiatric services, rehabilitation services, long-term care, hospice, dental, and case management. The program also pays for Medicare premiums for eligible individuals.

The 1115 Waiver is a federal-state effort to pay for health care of uninsured children up to 300 percent of poverty and uninsured working parents up to 100 percent of poverty. All adults receiving Medicaid as a result of this waiver will receive a commercial package of services equivalent to that offered to State of Missouri employees. Children will receive a package equal to Medicaid coverage without non-emergency transportation.

The State Medical Program allows child welfare services and Blind Pension recipients who are not eligible for the federal Medicaid Program to receive necessary non-institutional, nursing facility, and hospital medical care.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)**

**MEDICAID EXPENDITURES  
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2001	FY 2002	FY 2003
Pharmacy	\$ 602,259,813	\$ 744,807,368	\$ 855,448,414
Physician	156,029,870	235,410,017	295,331,815
Dental	11,846,089	18,537,187	13,302,535
Home- and Community-Based Services	185,178,956	259,399,439	228,392,821
Nursing Homes	416,834,468	573,303,433	496,489,896
Rehabilitation and Specialty Services	71,835,349	87,162,800	116,757,228
Managed Care	435,737,545	486,260,622	673,296,296
Hospital Care	374,411,810	519,062,204	548,448,739
Medicaid Supplemental Pool	533,644,267	438,431,815	244,473,850
FRA, NFFRA, and UCC	473,256,826	478,487,343	478,487,343
Children's Health Insurance Program	62,967,752	105,706,329	101,188,480
Mental Health Services	168,974,326	194,550,801	194,543,744
Other Medicaid	239,928,934	230,141,917	78,257,759
<b>Grand Total</b>	<b>\$ 3,732,906,005</b>	<b>\$ 4,371,261,275</b>	<b>\$ 4,324,418,920</b>

	FY 2001	FY 2002	FY 2003
Percentage of low-income Missourians participating in Medicaid	86.00%	87.00%	87.50%
Average number of Fee-for-Service eligibles*	399,436	403,430	407,464
Average monthly cost per eligible for Fee-for-Service*	\$660.36	\$679.56	\$698.76
Average number of eligibles enrolled in Managed Care*	250,550	254,817	285,122
Average monthly cost per eligible for Managed Care*	\$123.62	\$130.01	\$127.60
Number of children receiving health care through 1115 Waiver	73,494	91,301	91,301
Average monthly cost per child in the 1115 Waiver	\$117.97	\$122.69	\$127.72
Number of total Early Childhood screenings	182,841	188,326	193,976

\*Excludes 1115 Waiver

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)**

**Fiscal Year 2003 Governor's Recommendations**

- \$132,621,421 for the additional anticipated costs of existing Medicaid programs to ensure that all program cores are sufficiently funded to meet projected expenditures, including \$48,374,554 general revenue.
- \$117,811,791 for increased costs and utilization of pharmacy prescriptions by the elderly and those with disabilities, including \$14,092,832 general revenue.
- \$94,600,744 for anticipated caseload increases in Medicaid programs, including \$36,479,036 general revenue.
- \$63,000,000 federal and other funds for one-time start-up grants to increase efficiency and quality of care in nursing homes.
- \$60,435,000 other funds to increase dispensing fees paid to pharmacists.
- \$60,000,000 federal and other funds to backfill the general revenue core reduction in the managed care and hospital cores.
- \$43,948,591 for the remaining months of the Fiscal Year 2002 managed care trend factor, including 16,510,550 general revenue.
- \$40,576,323 to replace one-time intergovernmental transfer funding in various Medicaid programs, including \$23,826,323 general revenue.
- \$35,094,666 to provide a trend factor for managed care of 12.3 percent in the eastern and central regions and a 5.5 percent blended rate in the western region, including \$13,119,557 general revenue.
- \$27,000,000 other funds in the Nursing Facility core to backfill core reductions taken to balance the budget.
- \$7,444,575 for an adjustment to address the change in the federal participation percentage, including \$338,961 general revenue.
- \$5,229,750 to compensate for anticipated increases in Medicare Part A & B premiums, including \$2,016,942 general revenue.
- \$1,032,581 federal funds to fund targeted case management services for the elderly.
- \$486,028 core transferred to the Pharmacy Program from the Department of Mental Health.
- (\$193,957,965) other funds core reduction in the Medicaid Supplemental Pool.
- (\$133,000,000) federal and other funds core reduction in one-time efficiency grants to nursing homes.
- (\$58,508,333) core reduction in pharmacy for savings associated with the cost containment efforts implemented in Fiscal Year 2002, including (\$22,707,084) general revenue.
- (\$51,348,000) other funds core reduction for one-time safety net payments to hospitals.
- (\$50,428,503) core reduction due to implementation of cost containment initiatives in the Medicaid Program, including (\$19,579,801) general revenue.
- (\$40,576,323) other funds core reduction in various Medicaid programs due to one-time intergovernmental transfer funding.
- (\$35,497,520) core reduction in managed care due to cost containment efforts.
- (\$27,054,883) core reduction from refocusing the state's limited resources on seniors and the disabled with the most severe needs, including (\$10,500,000) general revenue.
- (\$27,000,000) core reduction in the Nursing Facility core to balance the budget.
- (\$24,502,480) core reduction in hospital payments due to cost containment efforts.
- (\$20,613,244) core reduction due to a change in Medicaid Spend-down Program policy, including (\$8,000,000) general revenue.
- (\$18,809,585) core reduction to reduce payments for physician's services, for clients who are both Medicare and Medicaid eligible, to the level paid for all other Medicaid services, including (\$7,300,000) general revenue.
- (\$12,800,000) core reduction in 1115 Waiver to reflect actual spending, including (\$5,000,000) general revenue.
- (\$11,852,615) core reduction to modify services provided through optional adult dental services in Medicaid, including (\$4,600,000) general revenue.
- (\$7,729,966) core reduction to modify reimbursement for Medicaid Rehabilitation services and durable medical equipment, including (\$3,000,000) general revenue.
- (\$7,444,575) core reduction due to changes in the federal participation rates, including (\$7,105,614) general revenue.
- (\$6,859,680) other funds core reduction in nursing homes due to increases in patient surpluses.
- (\$5,000,000) other funds core reduction necessary to balance the budget.
- (\$2,915,008) core reduction in the Nursing Facility core with a corresponding increase of \$2,915,008 other funds.
- (\$2,145,993) core reduction in physicians' payments to reflect a change in federal reimbursement policy, including (\$600,000) general revenue.
- (\$725,000) core reduction in pharmacy payments for children due to inclusion of these costs in the new contract, including (\$282,388) general revenue.
- (\$550,000) core reduction in the SCHIP with a corresponding increase of \$550,000 other funds.
- (\$262,103) core reduction in non-mandatory Medicaid services, including (\$102,062) general revenue.
- (\$26,432) transferred to the Department of Health and Senior Services, with a corresponding increase of \$26,432 other funds.
- (\$7,057) transferred to the Department of Mental Health.

DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES

STATE MEDICAL

	FY 2001	FY 2002	FY 2003
Caseload average for Child Welfare Services	815	502	649
Caseload average for Blind Pension	2,729	2,798	2,880
Caseload average for the Division of Youth Services	579	614	654

Fiscal Year 2003 Governor's Recommendations

- \$1,390,200 cost-to-continue the Fiscal Year 2002 Medicaid Supplemental Pool.
- \$1,302,212 to address the rising cost of pharmacy ingredients.
- (\$10,000,000) core reduction in General Relief State Medical due to the elimination of the General Relief Program.

[Budget & Planning Home Page](#)   [Table of Contents](#)